

# **Kentucky Agricultural Development Board**

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## ***Minutes of the August 18, Board Meeting***

The Kentucky Agricultural Development Board meeting was held on **August 18, 2006** at **10:00 AM EDT**, in the South Wing C, Room 105 of the Kentucky Exposition Center in Louisville, KY. Commissioner Richie Farmer, presiding, called the meeting to order, and the Secretary called the roll.

### **Roll Call**

#### ***Members Present***

Donna Amburgey; H. H. Barlow; Vickie Yates Brown; John Cleaver; Rodney Dick; Commissioner Richie Farmer; Dennis Griffin; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Dean M. Scott Smith; Secretary Gene Strong (Don Goodin, designee)

#### ***Members Absent***

Governor Ernie Fletcher, Wayne Hunt

#### ***Others Present***

**Staff** - Catherine Ball, Angela Blank, Brian Furnish, Todd Harp, Tim Hughes, Christi Marksbury, Bill McCloskey, Joel Neaveill, Keith Rogers, Nick Whobrey, Stephen Yates

**Guests** – Dr. Jimmy Henning, University of Kentucky College of Agriculture; Anna Kindrick, Kentucky Department of Agriculture (KDA); Roger Snell, KDA; Warren Beeler, KDA; Michael Judge, KDA; Brent Lackey, Kentucky Center for Rural Development; Kara Keeton, Keeton Communication; Kaycie Len Carter, Community Farm Alliance; Rick Raque, Allied Food Marketers West; Dwayne Ingram, University of Kentucky Horticulture; Jonathan Thompson, Governor's Office of Policy Management; Nathan Howell, University of Kentucky; Susan Capley, Central Kentucky Ornamental and Turfgrass Association; Bill Holleran, KDA

### **Notification of Media**

Commissioner Farmer received verification from Keith L. Rogers, Chief Executive Officer, that the media had received notice regarding the Kentucky Agricultural Development Board's monthly meeting.

### **Welcome**

Commissioner Farmer welcomed everyone to the Kentucky Agricultural Development Board meeting and the 2006 Kentucky State Fair.

### **Approval of Minutes**

Dennis Griffin moved to approve the minutes of the July 21, 2006 meeting as presented; Donna Amburgey seconded the motion. The motion passed without dissent.

### **Executive Director's Report**

Mr. Rogers reported that the regional roundtable discussions wrapped up this month and would give a summary at next month's meeting of the top topics that came up in the discussions. Mr. Rogers thanked the Board members who attended the roundtable discussions.

Mr. Rogers announced Ashley Ross, the summer intern would be leaving and thanked her for all of her hard work.

Next, Mr. Rogers gave the Tobacco Oversight Committee Report. There were no questions on projects and Livingston County did withdraw their appeal for the Safety Day.

Mr. Rogers called the Board's attention to the Kentucky Agricultural Finance Corporation (KAFC) memo in the update folder. He then called on Tim Hughes for an update on KAFC. Mr. Hughes reported on the status of current loans. (Handouts on file with the Board Secretary)

Mr. Rogers also announced that KAFC released an RFP for the building previously owned by the West Kentucky Growers Cooperative. The RFP was released on Monday, August 14, 2006. All proposals are due by October 2, 2006.

Mr. Rogers went over the funded projects status document with the Board including the amnesty program dollars. The projected amount will be a little over \$2 million with administrative funds included. There were roughly 8,000 claim forms filed.

Mr. Rogers reported on the Central Kentucky Growers Association (CKGA). They have leased their facility to Bluegrass Vegetable LLC (Pirrone's). Bluegrass Vegetable LLC took over the facility on June 1, 2006. There have been issues with the company and the deal is in trouble. CKGA has a \$100,000 loan and they have received a two month extension. The Board should expect an application from CKGA at the September or October meeting. CKGA has around twelve producers involved for this growing season.

Mr Rogers updated the Board on the Casey County situation. He referred to the information in the update folder. (Information on file with the Board Secretary) Mr. Rogers began with some background information. He stated that there had been ongoing disagreements since 2004 between council members and program administrators. He believes the disagreements began with dealings starting with the agricultural expo center, FSA determination, who was qualified to be on the county council and open records requests.

Last year, Mr. Rogers and Rodney Dick went to Casey County to meet with the council chair to talk with him. He resigned after that meeting. In September, Mr. Rogers met with Jim Young, John Gossage & Brent Ware to make them aware that they were out of compliance and would not be receiving any more money until the issues were resolved. At that time, all parties entered into an agreement to bring the Cattle Handling and the Agricultural Diversification programs into compliance. The programs would be allowed to operate until September 2, 2006 and an audit would be performed after that time. Some of the issues on how the programs were being handled were: no application process; use of waiting list; only one person signing checks; no advertising; and did not have producers completing "producer reports".

After they have closed out their records for 2005, GOAP staff will do an audit and an onsite meeting. Mr. Rogers said he feels there is no need to go down there until that point. Casey County has a new county council with a new chair, Greg Goode. They are working on new scoring guidelines and making headway. They are making a conscious effort to straighten out the problems. The Casey County Cattlemen's Association will have 60 days to close out and provide reports to our office from September 2, 2006. It could be November before there is a report to the Board. Dean Smith said it has been a while since they had an agricultural agent in Casey County. They are searching and it probably was a factor in this situation. The last point Mr. Rogers made

was that Casey County Cattlemen's Association was approved for \$148,749.00 and returned \$71,855.93 in one of their programs. They had over 200 people on the waiting list.

## **Old Business**

**Bylaws** – H.H. Barlow, chair of the Technical Issues Advisory Committee, presented the mailed packet from Catherine Ball concerning the bylaws. The memo stated that a member of the Board requested the following language to the bylaws. "Any board member who contacts the Executive Director may have the absences excused. In the event that the absence is excused, it will not count toward this policy." This change is reflected in Article II, Section 3A of the bylaws (Memo on file with the Board Secretary)

Mr. Griffin moved to adopt the said language into the bylaws; Sam Lawson seconded the motion. The motion passed without dissent.

Jim Mahan moved to accept the bylaws as amended; Wayne Mattingly seconded the motion. The motion passed without dissent.

## **New Business**

Mr. Rogers directed the Board's attention to the Kentucky Agricultural Finance Corporation (KAFC) memo in the update folder. KAFC requested to transfer \$1,000,000 from the Agricultural Processing Loan Fund to the Beginning Farmer Loan Fund. They also requested to transfer \$3,000,000 from the Agricultural Processing Loan Fund to the Agricultural Producer Loan Fund to be used for loans in the Agricultural Infrastructure Loan Program. (Memo on file with Board Secretary)

John Cleaver moved to accept the request from the Kentucky Agricultural Finance Corporation to transfer funds from the above said accounts; Mr. Mattingly seconded the motion. The motion passed without dissent.

### ***Referral of September Projects<sup>1</sup>***

Mr. Rogers presented projects A2006-0339 to A2006-0381 for referral to the Board's September meeting for review. Sam Moore moved that projects A2006-0320 to A2006-0381 be referred for September review; Mr. Mahan seconded the motion. The motion passed without dissent.

### ***Approval of Model Programs<sup>2</sup>***

Commissioner Farmer submitted projects requesting funds for county model programs. H. H. Barlow moved the said applications be approved for the named model programs; Don Goodin seconded the motion. The motion passed without dissent.

### ***Requested Amendments<sup>3</sup>***

Mr. Rogers presented five requested amendments for approval. John Cleaver moved that said amendments be approved; Mr. Mattingly seconded the motion. The motion passed without dissent.

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<sup>1</sup> A detailed list of the referred projects is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under each model program category is attached as Appendix B.

<sup>3</sup> A detailed list of requested amendments approved is attached as Appendix C.

**Recommendations for Funding**

Nick Whobrey presented A2006-0131, **Carroll County 4-H Council, Inc.** Carroll County 4-H Council, Inc. requests \$500 in Carroll County funds for renovations to their livestock facility. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Mahan moved that **A2006-0131 be approved for \$500 in Carroll County funds**; Mr. Moore seconded the motion. The motion passed without dissent.

Todd Harp presented A2006-0198, **Green County Cattleman's Association, Inc.** Green County Cattleman's Association, Inc. requests \$520,000 (\$260,000 per year for two consecutive years) in Green County funds to construct an agricultural marketing and education center. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Lawson moved that **A2006-0198 be approved for \$260,000 for one year of funding in Green County funds**; Mr. Barlow seconded the motion. The motion passed without dissent.

Stephen Yates presented A2006-0199, **Franklin County Fair & Horseshow Association, Inc.** Franklin County Fair & Horseshow Association, Inc. requests \$12,488 in Franklin County funds to enhance the state of the art livestock facility currently under construction at Lakeview Park. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Lawson moved that **A2006-0199 be approved for \$12,488 in Franklin County funds**; Mr. Griffin seconded the motion. The motion passed without dissent.

Stephen Yates presented A2006-0293, **Kentucky Department of Agriculture.** Kentucky Department of Agriculture requests \$3,372,700 in State funds to continue the marketing initiatives which currently promote the Kentucky Proud program. Mr. Yates reviewed the proposed terms and conditions for the project and recommended funding in the amount of \$2,787,275.

Mr Griffin moved that **A2006-0293 be approved for \$3,372,700 in State funds**; Mr. Lawson seconded the motion.

Mr. Barlow moved to amend the motion by taking out the administrative assistant funding for \$60,000 and the staffer to attend two national food shows funding for \$4,800 for a total of \$64,800; Mr. Cleaver seconded the amendment.

**A roll call vote was called on the amendment to the motion.** Donna Amburgey – Yes H.H. Barlow – Yes; Vickie Yates Brown – No; John Cleaver – Yes; Rodney Dick – No; Dennis Griffin – No; Sam Lawson – No; Jim Mahan – Yes; Wayne Mattingly – Yes Sam Moore – Yes; Dean Scott Smith – Yes; Don Goodin – Yes The motion passed. (8/4)

The main motion made by Mr. Griffin and seconded by Mr. Lawson for **A2006-0293 to be approved for \$3,307,900 in State funds as amended** was on the floor.

**A roll call vote was called on the main motion.** Donna Amburgey – Yes H.H. Barlow – Yes; Vickie Yates Brown – Yes; John Cleaver – Yes; Rodney Dick – Yes; Dennis Griffin – Yes; Sam Lawson – Yes; Jim Mahan – Yes; Wayne Mattingly – Yes Sam Moore – No; Dean Scott Smith – Yes; Don Goodin – Yes The motion passed. (11/1)

Todd Harp presented A2006-0376, **Magoffin County Cattle Association, Inc.** Magoffin County Cattle Association, Inc. requests \$36,558 in Magoffin County funds to administer a menu approach for three model programs: Cattle Handling Facilities; Cattle Genetics Improvement; and Swine Diversification. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Dick moved that **A2006-0376 be approved for \$36,558 in Magoffin County funds**; Mrs. Amburgey seconded the motion. The motion passed without dissent.

Todd Harp presented A2006-0378, **Magoffin County Conservation District.** Magoffin County Conservation District requests \$73,116 in Magoffin County funds to administer a menu approach for two model programs: Farm Livestock Fencing Improvement and Forage Improvement & Utilization. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Cleaver moved that **A2006-378 be approved for \$73,116 in Magoffin County funds**; Mr. Mattingly seconded the motion. The motion passed without dissent.

### **Recommendations for No Funding**

Stephen Yates presented A2006-0137, **Jessamine County FFA Alumni Association, Inc.** Jessamine County FFA Alumni Association, Inc. requests \$2,000 in Jessamine County funds to provide 20% of the cost of hosting a men's healthcare for producers in Jessamine County. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Dick moved that **A2006-0137 be denied funding based on Board policy not to fund safety day programs**; Mr. Goodin seconded the motion. The motion passed without dissent.

### **Recommendations for Deferred Funding**

Stephen Yates presented A2006-0337, **Kentucky Horticulture Council, Inc.** Kentucky Horticulture Council, Inc. requests \$2,484,700 in State funds to continue to support the growth of the horticulture as a profit center on family farms through on-farm demonstrations and assistance, production and production system development, market development and market sustainability.

Mr. Yates introduced John Bell with the Kentucky Horticulture Council, Inc. to answer any of the Board's questions. (Refer to handout on file with Board Secretary)

### **Closing Remarks**

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 PM EDT on Friday, September 15, 2006 at Kentucky State University in Frankfort, KY. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

Mr. Dick moved to adjourn; Mrs. Amburgey seconded the motion. The motion passed without dissent. The meeting adjourned at 2:59 PM EDT.

**APPROVED:** \_\_\_\_\_

**PRESIDING OFFICER:** \_\_\_\_\_

**SECRETARY:** \_\_\_\_\_

## APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2006-0339	Todd County Conservation District	Hay, Straw, & Commodity Storage
A2006-0340	Todd County Conservation District	Project
A2006-0341	The Grant County Agricultural Diversification Council, Inc.	Cattle Handling Facilities
A2006-0342	The Grant County Agricultural Diversification Council, Inc.	Agricultural Diversification
A2006-0343	The Grant County Agricultural Diversification Council, Inc.	Goat & Sheep Diversification
A2006-0344	Grant County Cattlemen's Association, Inc.	Forage Improvement & Utilization
A2006-0345	Grant County Cattlemen's Association, Inc.	Cattle Genetics Improvement
A2006-0346	Nicholas County Fiscal Court	Cattle Handling Facilities
A2006-0347	Nicholas County Fiscal Court	Hay, Straw, & Commodity Storage
A2006-0348	Nicholas County Fiscal Court	Farm Livestock Fencing Improvement
A2006-0349	Nicholas County Fiscal Court	Agricultural Diversification
A2006-0350	Nicholas County Fiscal Court	Forage Improvement & Utilization
A2006-0351	Nicholas County Fiscal Court	Cattle Genetics Improvement
A2006-0352	Nicholas County Fiscal Court	On-farm Water Enhancement
A2006-0353	Bennett's Mill Farm, LLC	Project
A2006-0354	Carter County Agricultural Advancement Council, Inc.	Agricultural Diversification
A2006-0355	Carter County Agricultural Advancement Council, Inc.	Hay, Straw, & Commodity Storage
A2006-0356	Carter County Agriculture Advancement Council, Inc.	Forage Improvement & Utilization
A2006-0357	Carter County Agriculture Advancement Council, Inc.	Cattle Genetics Improvement
A2006-0358	Carter County Agriculture Advancement Council, Inc.	Goat & Sheep Diversification
A2006-0359	Carter County Agriculture Advancement Council, Inc.	Cattle Handling Facilities
A2006-0360	Carter County Agriculture Advancement Council, Inc.	Farm Livestock Fencing Improvement

## APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2006-0361	Black Oak Vineyard	Project
A2006-0362	Southern & Eastern Kentucky Tourism Development Association, Inc.	Project
A2006-0363	Roy E. Clayton	Project
A2006-0364	Breckinridge County Conservation District	On-farm Water Enhancement
A2006-0365	Breckinridge County Conservation District	Forage Improvement & Utilization
A2006-0366	Beef Improvement Council, Inc.	Forage Improvement & Utilization
A2006-0367	Beef Improvement Council, Inc.	Cattle Handling Facilities
A2006-0368	Beef Improvement Council, Inc.	Cattle Genetics Improvement
A2006-0369	Metcalfe County Fiscal Court	Project
A2006-0370	Farm Haven, LLC	Project
A2006-0371	Lost Creek Farms, LLC	Project
A2006-0372	Beech Spring Farm Community Association, Inc.	Project
A2006-0373	Wildside Vines, LLC	Project
A2006-0374	Wight-Meyer Vineyard & Winery, LLC	Project
A2006-0375	Johnson County Agricultural Advancement Council, Inc.	Agricultural Diversification
A2006-0376	Magoffin County Cattle Association, Inc.	Project
A2006-0377	Magoffin County Horse Association, Inc.	Agricultural Diversification
A2006-0378	Magoffin County Conservation District	Project
A2006-0379	Kentucky Sheep & Wool Producers, Inc.	Project
A2006-0380	Poppie's Salsa	Project
A2006-0381	Sycamore Ridge Farm	Project



## APPENDIX B: Model Programs Recommended for Approval

**Agricultural Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0334	The Boone County Farmers Market Association, Inc.	Boone	\$50,000.00
A2006-0354	Carter County Agricultural Advancement Council, Inc.	Carter	\$36,136.00
A2006-0342	The Grant County Agricultural Diversification Council, Inc.	Grant	\$40,000.00
A2006-0375	Johnson County Agricultural Advancement Council, Inc.	Johnson	\$15,000.00
A2006-0335	Cumberland Gap Goat Producers Association, Inc.	Knox	\$14,665.00
A2006-0338	Laurel County Cattlemen's Association, Inc.	Laurel	\$5,000.00
A2006-0377	Magoffin County Horse Association, Inc.	Magoffin	\$36,558.00
A2006-0349	Nicholas County Fiscal Court	Nicholas	\$49,920.00
			<b>\$247,279.00</b>

**Cattle Genetics Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0368	Beef Improvement Council, Inc.	Breckinridge	\$65,000.00
A2006-0357	Carter County Agriculture Advancement Council, Inc.	Carter	\$62,000.00
A2006-0345	Grant County Cattlemen's Association, Inc.	Grant	\$20,000.00
A2006-0351	Nicholas County Fiscal Court	Nicholas	\$24,960.00
			<b>\$171,960.00</b>

**Cattle Handling Facilities**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0323	Allen County Farm Bureau, Inc., of Allen County, Kentucky	Allen	\$65,000.00
A2006-0367	Beef Improvement Council, Inc.	Breckinridge	\$100,000.00
A2006-0359	Carter County Agriculture Advancement Council, Inc.	Carter	\$85,000.00
A2006-0341	The Grant County Agricultural Diversification Council, Inc.	Grant	\$20,000.00
A2006-0336	Cumberland Gap Goat Producers Association, Inc.	Knox	\$45,000.00
A2006-0346	Nicholas County Fiscal Court	Nicholas	\$65,000.00
			<b>\$380,000.00</b>

## APPENDIX B: Model Programs Recommended for Approval

**Farm Livestock Fencing Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0360	Carter County Agriculture Advancement Council, Inc.	Carter	\$80,000.00
A2006-0348	Nicholas County Fiscal Court	Nicholas	\$149,760.00
			<b>\$229,760.00</b>

**Forage Improvement & Utilization**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0366	Beef Improvement Council, Inc.	Breckinridge	\$70,000.00
A2006-0365	Breckinridge County Conservation District	Breckinridge	\$40,000.00
A2006-0356	Carter County Agriculture Advancement Council, Inc.	Carter	\$36,500.00
A2006-0344	Grant County Cattlemen's Association, Inc.	Grant	\$20,000.00
A2006-0350	Nicholas County Fiscal Court	Nicholas	\$74,880.00
			<b>\$241,380.00</b>

**Goat & Sheep Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0358	Carter County Agriculture Advancement Council, Inc.	Carter	\$10,000.00
A2006-0343	The Grant County Agricultural Diversification Council, Inc.	Grant	\$20,000.00
			<b>\$30,000.00</b>

**Hay, Straw, & Commodity Storage**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0355	Carter County Agricultural Advancement Council, Inc.	Carter	\$146,500.00
A2006-0347	Nicholas County Fiscal Court	Nicholas	\$65,000.00
A2006-0339	Todd County Conservation District	Todd	\$102,650.00
			<b>\$314,150.00</b>

**On-farm Water Enhancement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0364	Breckinridge County Conservation District	Breckinridge	\$40,000.00
A2006-0352	Nicholas County Fiscal Court	Nicholas	\$19,968.00
			<b>\$59,968.00</b>

Total County Funds Recommended for Approval in Model Programs: **\$1,674,497.00**

## **APPENDIX C: Requested Amendments-Projects & Programs**

<b>App #</b>	<b>A2006-0015</b>
<b>Applicant Name</b>	<b>Carlisle County Conservation District</b>
Amount Approved	\$36,750.00
Date	February 17, 2006
Requested Change	The applicant requests an <u>additional</u> \$10,500.00 for the <i>Forage Improvement &amp; Utilization</i> Program. The request received a <u>high</u> priority from the Carlisle County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$47,250.00.
Recommendation	Approval
<b>App#</b>	<b>A2005-0554</b>
<b>Applicant Name</b>	<b>Jackson Purchase Resource Conservation &amp; Development Foundation, Inc.</b>
Amount Approved	\$70,000
Date	November 18, 2005
Requested Change	The applicant requests an <u>additional</u> \$1,334.00 for the <i>Hay, Straw &amp; Commodity Storage</i> Program. The request received a <u>high</u> priority from the McCracken County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$71,334.00.
Recommendation	Approval
<b>App#</b>	<b>A2005-0596</b>
<b>Applicant Name</b>	<b>Owensboro Grain Company, LLC</b>
Amount Approved	\$1,000,000 (State Funds) & \$219,750 (County Funds)
Date	January 20, 2006
Requested Change	The applicant has received an <u>additional</u> \$25,000 in county funds from McCracken County (\$5,000) and Warren County (\$20,000) for the construction of a bio-diesel production facility. Both counties gave the request a <u>high</u> priority. Approval of this request would bring the county contributions to \$252,250.
Recommendation	Approval

**APPENDIX C: Requested Amendments-Projects & Programs**

<b>App #</b>	<b>A2005-0590</b>
<b>Applicant Name</b>	<b>Gallatin County Livestock Association, Inc.</b>
Amount Approved	\$103,000.00
Date	December 16, 2005
Requested Change	The applicant requests an <u>additional</u> \$60,000.00 for the <i>Beef Diversification</i> Program. The request received a <u>high</u> priority from the Gallatin County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$163,000.00.
Recommendation	Approval

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<b>App #</b>	<b>A2005-0598</b>
<b>Applicant Name</b>	<b>Gallatin County Agricultural Diversification Association, Inc</b>
Amount Approved	\$57,000.00
Date	January 20, 2006
Requested Change	The applicant requests an <u>additional</u> \$35,000.00 for the <i>Agricultural Diversification</i> Program. The request received a <u>high</u> priority from the Gallatin County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$92,000.00.
Recommendation	Approval

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